

## Today is California's Tax Freedom Day

*An exclusive commentary penned for the FlashReport by Michelle Steel. Steel is a member of the California State Board of Equalization.*

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*[Publisher's Note: As part of an ongoing effort to bring original, thoughtful commentary to you here at the FlashReport, I am pleased to present this column from Michelle Steel. Steel was elected last year to a seat on the State Board of Equalization - Flash]*

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If your financial burden seems lighter today... If at five o'clock you suddenly feel like a free man, there is good reason. Today is [California's Tax Freedom Day](#), the annual point when our paychecks become our own and we stop working to support our tax obligations. Avid Flash Report readers, who remember Doug Wilson's April 30th [commentary](#), should not refresh your browser; you aren't having a Groundhog Day-style moment of deja vu. Unfortunately, California's high sales and income taxes postpone our state's Tax Freedom Day one week later than the national average.

Consider it just the latest example of California's well-deserved reputation as the "left coast." When it comes to the topsy-turvy, liberal world of California

governance, hard-working taxpayers are more often treated like hardened criminals. First, California taxpayers are punished with hard time and stiff penalties. Then, our state offers taxpayers few rights and limited appeals in fighting our tax bills.

First, the penalties. In 2007, California taxpayers were sentenced to 127 consecutive days of hard labor to support the government. That is over one third of the year spent working for the government. Compared to the rest of the country, California ranks at the [bottom of taxpayer-friendly states](#). Our tax burden is 25% greater than Oklahoma, the least taxed state, and the seventh highest tax burden in the country.

Even by California standards, this year's Tax Freedom Day is especially late. In just three years, California's Tax Freedom Day has been delayed by an additional two weeks to the second latest date ever in California's history. For the fifth consecutive year, California has ranked in the top ten worst states for taxpayers. Outside of New England, only Nevada has a tax burden worse than California.

California's punitive tax structure is made worse by the relative taxpayer-friendly policies of our neighbors. Both Oregon and Arizona shared a 2007 Tax Freedom Day on April 24th, almost one week better than the national average and two weeks earlier than California's. This disparity stifles California's economic growth and encourages businesses to flea the Golden

State for our more taxpayer-friendly neighbors. Not surprisingly, in 2005 more taxpayers left the state than entered it.

But, California's criminalization of taxpayers doesn't end when you pay your taxes. In the unfortunate case of an audit, California taxpayers would be surprised to learn that we have fewer rights than accused child molesters.

Nearly every American judicial process protects the accused from unfair prosecution by placing the burden of proof on the government. That's every judicial process- except taxpayer appeals! This burden of proof even differs from the federal government's tax standards. Under existing state law, the entire burden of proof rests with taxpayers to demonstrate our innocence in a tax case.

That is why I am working to guarantee that California taxpayers are treated innocent, until proven guilty in tax appeal cases. Flash Report's North California blogger, [Assemblyman Doug La Malfa](#), along with the help of my BOE colleague Bill Leonard has introduced [Assembly Bill 1600](#), which requires the Board of Equalization to provide clear and convincing evidence of a taxpayer's guilt when adjudicating taxpayer appeals.

Too often the Board of Equalization determines tax assessments based on estimation and assumption rather than conclusive evidence. Assembly Bill 1600 transfers the burden of proof for tax liability cases from the taxpayer to the government. Unjust tax bills, interest charges, and penalty fees can be just as devastating to an individual as criminal punishments. The state should apply the same burden of proof standards as used by our judicial system. Those standards protect an individual from unfair prosecution and wrongful punishment and can protect taxpayers in the same manner.

Although Assembly Democrats aren't likely to pass any taxpayer-friendly bills like this one any time soon, we can continue to put the Democrats on defense. Last month, [the entire Republican state legislative delegation](#) save one member signed the [Americans for Tax Reform No New Taxes Pledge](#). As long as we protect the integrity of Proposition 13, California's Republican legislators can effectively stave off any tax hikes. Although it won't make Tax Freedom Day 2008 arrive any sooner, at least it can limit taxpayers' annual tax sentence. And on the "left coast," what more can we expect.

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You can write to Board Member Steel, via the FR, [here](#).

California's highest ranking Republican woman, Michelle Steel serves as Southern California's representative on the State Board of Equalization, the state's tax appellate body and the country's only publicly-elected tax board.